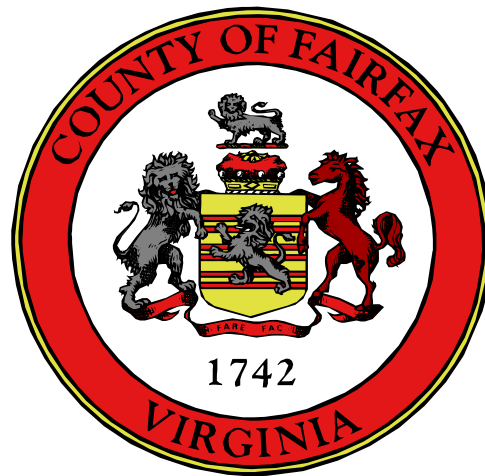


INTERNAL AUDIT REPORT

Audit of the Animal Shelter



*Fairfax County Internal Audit Office
April 2003*

FAIRFAX COUNTY, VIRGINIA
INTERNAL AUDIT OFFICE
MEMORANDUM

TO: Anthony H. Griffin
County Executive

DATE: April 4, 2003

FROM: Larry Hertzog, Acting Director
Internal Audit Office

SUBJECT: Report on the *“Audit of the Animal Shelter”*

Attached is the Internal Audit report entitled, *“Audit of the Animal Shelter.”* The Deputy County Executive requested this audit examine the operational policies and procedures for the Animal Shelter Trust Fund and evaluate the utilization of revenues and donations that support Shelter programs.

The findings and recommendations of this audit were discussed with the Animal Services Division (ASD). In written comments on the formal draft report, ASD concurred with the six recommendations.

The ASD responses are edited for length and incorporated into the report. The full response is attached at the end of the report. I will follow up with the Animal Services Division periodically until implementation is complete. After your review and approval, we will release the report to the Board of Supervisors.

Attachment

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Executive Summary

Objectives

The Internal Audit Office (IAO) was asked to examine operational policies and procedures for spending the Animal Shelter Trust Fund. We were to determine if the decision making process could be improved and better coordinated. Secondly, we were asked to assess the utilization of donations and revenues from the Animal Friendly vehicle license plates. While doing the above, we reviewed the Shelter cash handling procedures and evaluated compliance with selected laws and regulations.

Conclusions

Due to a lack of policy, spending objectives, and specific strategically coordinated goals, decisions were being made on a day by day basis. Those decisions, due to custom and not specific authority, were often challenged by members of the Animal Services Advisory Commission. Anticipating opposition, Shelter management had become reluctant to implement programs or utilize the Trust Fund. To address this, ASD should prepare a thorough written policy for the Trust Fund, including defined goals and objectives, spending rules, asset allocation strategy, and clarify the decision making responsibilities. **ASD concurs.**

For several years, the ASD has accepted State funding from the Animal Friendly plates without a spay/neuter program to utilize the funding. Without a program, State law requires that the funding be returned or given to a nonprofit group supporting spay/neuter actions. Annually, ASD certifies that the funds have been or are being spent. To address this, ASD should promptly implement a spay/neuter program to utilize the funding. **ASD concurs.**

The Shelter does not inoculate animals for rabies. Shelter staff receives pre-exposure vaccinations, but volunteers and the public are in contact with potentially infected animals. To address this, ASD should initiate a vaccination program to comply with State law, increase public safety, and allow the sale of licenses as dogs are adopted. **ASD concurs.**

Multiple recommendations could be implemented easily with a surgical area. Veterinarians could be contracted to provide rabies vaccinations and spay/neuter services, thus complying with State law and reducing inefficiencies. The Humane Society recommended consulting an architect to add a

small clinic to the Shelter. Funding for the clinic and ongoing surgery/medical expenses is available from the Animal Friendly License Plate funds and the Trust Fund.

Introduction

Animal shelters house stray or impounded animals. Removing stray and unwanted animals from the community increases public health and safety through reducing the threat of rabies and controlling roaming or dangerous animals. The State of Virginia requires that each county or city provide an animal shelter, either by owning the facility, working in conjunction with other cities/counties to maintain a shelter, or by contracting out the service.

The Animal Shelter is a section of the Animal Services Division (ASD) of the Fairfax County Police Department. ASD consists of Animal Control Services and Shelter Services. The Shelter employs 19 people and has an operating budget of \$1,015,831 in FY 2003. Of the approximately 7,800 animals coming through the Shelter each year, about 20 percent are redeemed by owners. Many of the remaining animals are made available for adoption, but less than half find homes.

General Fund revenues attributed to the Shelter in FY 2002 are \$327,061, including \$239,668 in dog licenses and fees of \$87,393 for redemptions, boarding, and adoptions. In addition, the Shelter receives funding from the State of Virginia from specialized 'Animal Friendly' vehicle license plates. This funding is classified as a State grant and, by law, is to support sterilization programs for dogs and cats. To date, the County has received \$61,814 from this program.

Another source of funding to help animals is the Animal Shelter Trust Fund with an approximate balance of \$343,325 as of October 2002. This fund was created prior to 1973 for "the betterment of animals", and is controlled by the County Executive or his designee, currently the Deputy County Executive.

The Animal Services Advisory Commission is appointed by the Board of Supervisors. This commission serves voluntarily, without compensation, and at the pleasure of the Board. The Commission is to serve in an advisory capacity to the Shelter Director and the Board of Supervisors on issues relating to animal health and welfare. The purpose of the Commission is to enhance the existing mission and goals of the agency, i.e., to promote responsible pet ownership, to reduce euthanasia and pet overpopulation, and to continue to maintain certification for Shelter Standards of

Excellence.

Purpose and Scope

The Deputy County Executive requested that we examine operational policies and procedures for spending the Animal Shelter Trust Fund. We were to determine if the decision making process could be improved and better coordinated. Secondly, we were asked to assess the utilization of donations and the revenues from the Animal Friendly vehicle license plates. While doing the above, we reviewed the Shelter cash handling procedures and evaluated compliance with selected laws and regulations. The audit was performed with support from the Police Department.

The scope of the audit was limited to the efficiency and financial aspects of the Shelter's processes and functions. This was not a financial audit. This audit did not examine the expenditures, internal controls, or financial strength of the Shelter and the Police Department. In addition, this was not an evaluation of the Shelter's operations. The Shelter contracted with the Humane Society of the United States (HSUS) for an operational evaluation, comparing Shelter operations with best practices and standards determined by the Humane Society. That evaluation was completed during this audit.

Methodology

We interviewed appropriate County employees involved with Shelter programs and financial operations. We observed financial transactions during business hours at the Shelter. We determined the level of compliance with applicable laws and regulations by interviewing employees and examining policies and procedures.

We researched and identified commonalities of efficient programs and practices for other animal shelters. These are listed in Exhibit A, page 12 in the report appendix. For our sample of jurisdictions, we selected municipalities based on demographics and growth rate from a list of those responding to a Local Government Audit Survey.

We conducted our review from March 2002 through May 2002 in accordance with generally accepted government auditing standards.

The Fairfax County Internal Audit Office is free from organizational impairments to independence in our reporting as defined by Government Auditing Standards. We report directly to and are accountable to the County Executive. Organizationally, we are outside the staff or line management function of the units that we audit. We report the results of our audits to the County Executive and the Board of Supervisors, and our reports are available to the public.

Comments and Recommendations

1. There are no written policies, objectives, or goals for utilizing the Animal Shelter Trust Fund.

Due to lack of guidelines and the role that the Commission serves in supporting the Shelter, management has become reluctant, over time, to utilize the Animal Shelter Trust Fund, anticipating opposition from the Animal Services Advisory Commission.

The County has procedures in place for authorizing expenditures from Trust or Gift Funds. Shelter management follows these procedures, consisting of explaining and justifying each request and gaining Deputy County Executive signature pre-approving each expenditure. However, decisions to utilize the Animal Shelter Trust Fund are made on a case-by-case basis, without coordinated objectives or a unified goal.

Shelter management informs the Commission of considerations or decisions to utilize the Trust Fund in a timely fashion by explaining and justifying funding requests. These explanations and justifications, made in the absence of policy, create delay and the opportunity for differences of opinion. The Commission has, on some occasions, disagreed with management's considerations or decisions to utilize the Trust Fund.

Recommendation

Priority: High

The Shelter should develop a comprehensive written policy for utilizing the Animal Shelter Trust Fund and share that policy with the Animal Services Advisory Commission. The policy should set goals and objectives for expenditures from the Fund and should clarify the decision making responsibilities of the Animal Services Division, Shelter management, and the Animal Services Advisory Commission.

Department Response

The Animal Services Division will prepare and incorporate a thorough written policy with guidelines regarding expenditure and decision-making responsibilities of the trust fund monies in accordance with industry standards and achieving the mission of the shelter.

2. ASD has not complied with Virginia State Statute 46.2-749.2:7 Special License Plates for supporters of dog and cat sterilization programs; fees.

ASD has accepted State funding to support a non-existent program. The funding has not been made available to private, nonprofit sterilization programs nor returned to the State as required by law. Additional payments have been accepted and not refused. Annually, ASD certifies that these funds have been or are being spent.

At this time, the County is legally liable for noncompliance with State statute. In addition, private nonprofit programs could publicize this noncompliance with a resulting negative effect on the public's perception of the County's effectiveness.

Recommendation

Priority: High

ASD should comply with the State statute by promptly beginning a spay/neuter program to utilize the available funding. The funding would equip a surgery clinic for sterilizing dogs and cats prior to adoption. Or the program could begin, as discussed, with sterilizing female adoptive cats through contracted veterinary services.

Department Response

The Animal Shelter has begun the process of establishing partnerships with local veterinarians willing to perform the sterilization of adopted fertile female cats for a set fee. The Animal Shelter staff will work cooperatively with participating veterinarians to establish a weekly or bi-weekly schedule for delivery of the adopted cats.

3. There is an increased risk of rabies exposure to the community because dogs and cats in the shelter are not vaccinated against rabies.

When animals enter the Shelter, it is often not known whether the animals are vaccinated for rabies. ASD employees receive pre-exposure vaccinations as recommended by State guidelines due to repeated contact with potentially infected animals. Others in contact with potentially infected animals include members of the community who wish to adopt pets and volunteers assisting the employees. These groups do not receive pre-exposure vaccinations and are at risk of contracting rabies.

Rabies is a fatal viral infection of mammals, most often transmitted through the saliva or bite of a rabid animal. The disease is a serious public health concern with estimated annual costs over \$300 million for the United States. Although only 5 cases of human rabies were reported in 2000, with no cases of human rabies reported in Fairfax County, it should be noted that Virginia had the second highest number of rabid domestic animals (41) in the United States during that year. In addition, Fairfax County had a cat test positive for rabies in December 2001 and a dog in February 2002.

The Centers for Disease Prevention and Control (CDC) recommends 10 day quarantine for an animal that bites a human and immediate euthanasia (or 6 month quarantine) for unvaccinated dogs, cats, and ferrets exposed to a rabid animal. However, the CDC does not address the situation experienced by the Shelter – where it is not known if an animal is vaccinated, nor is it known if an animal has or has not been exposed to rabies.

To increase public safety and reduce the risk of rabies to the community, the State has many rabies-related requirements. Dogs and cats over 4 months old must be vaccinated, reducing the occurrences of rabies in domestic animals. The vaccine must be administered by or under the direct supervision of a licensed veterinarian, ensuring that a qualified and responsible person can be held accountable for proper vaccination. Dogs are to be licensed annually by the locality and show proof of current rabies vaccination to be licensed, ensuring that vaccinations are kept current.

Historically, the Shelter has not vaccinated for rabies. There is no veterinarian on the staff to administer the vaccination. There is no budgeted funding for purchase of rabies vaccine.

The effect of not vaccinating dogs and cats in the Shelter is to increase the risk of rabies in the community, specifically the volunteers, the public, and the animals. The Fairfax County Risk Management Division, in a July 1, 2002 memorandum, recommends initiating a rabies vaccination program to minimize potential exposure to staff, volunteers, and the public.

Recommendation

Priority: High

The Shelter should vaccinate for rabies all adoptable dogs and cats estimated to be over 4 months old and recover the cost through a revision of the Adoption Fee. Vaccinating would reduce the risk of rabies and would allow the sale of dog licenses as dogs are adopted, ensuring compliance with State and County Codes.

Department Response

The Animal Services Division is actively exploring partnerships with local veterinarians to provide rabies inoculations to all dogs and cats housed at the Animal Services Division. The Animal Services Division is actively working towards contracting with a local veterinarian to provide a host of health care services for our housed animals to include rabies inoculations.

4. The agency has an inefficient process for ensuring sterilization of adopted dogs and cats.

Although Virginia statutes require that dogs and cats released from a shelter be sterilized, the process at the Shelter is that the adopter of a dog or cat signs an agreement that the animal will be taken to a veterinarian for a health examination and, if fertile, sterilized. There is a complex and prolonged financial document process between the payment of a fee for adopting a fertile cat or dog and the payment of those same funds to a veterinarian for sterilization of the animal.

Historically, the Shelter has utilized this system for ensuring spay/neuter services in compliance with State law. However, the Shelter cannot determine compliance. The Shelter is unable to state the number or percentage of spay/neuter deposits that are paid to veterinarians for sterilization of adopted animals. The City of Chicago, prior to 1989, spayed or neutered all animals except puppies and kittens. Instead, the City requested that those animals be brought back to the City's Shelter for free sterilization surgery. The City found that only about half of puppies and kittens received the free surgery.

Today, the animal control agencies of Chicago, Dallas, Maricopa County, Memphis, and San Francisco comply with State law and sterilize all dogs and cats prior to adoption. Young animals over 7 weeks of age or weighing at least 2 pounds undergo "early age" sterilization. Support for "early age" sterilization has grown and now includes the American Society for Prevention of Cruelty to Animal, the American Humane Association, and the American Veterinary Medical Association. In Fairfax County, the workload of maintaining the spay/neuter deposits is large. The Shelter has released 7,819 animals for adoption over the last 3 years (2000, 2001, and 2002). Very few of these animals were infertile or sterilized prior to adoption according to agency estimates. If 98 percent of the animals required sterilization, ASD should have created, tracked, paid, and attempted to dissolve over 15,000 financial documents in those 3 years.

Currently, the Adoption Fee is \$20 per animal. Costs of any additional services and care provided to the animals should be recovered through a revision of the Adoption Fee. The spay/neuter deposit, collected at the time of adoption, could be discontinued with an offsetting increase of the Adoption Fee.

Recommendation**Priority: High**

The Shelter should revise the cost recovery process for animal sterilization. The revised process should:

- Comply with State Code 3.1-796.126:1, Sterilization of adopted dogs and cats;
- Discontinue the prolonged and complex process of creating, tracking, and dissolving individual financial documents;
- Recover or partially offset costs for spay/neuter services, by revising the Adoption Fee to include an amount approximately equal to the spay/neuter deposit; and,
- Consider contracting with veterinarians to provide spay/neuter services, perhaps in a surgery clinic on the Shelter premises.

Department Response

The Animal Services Division has devised a work plan to explore streamlining measures. It is anticipated within the next six months, several well focused plans will be tested to determine the best financial method to reduce redundancy while still providing accountability measures. The work plan will focus on contracting with local veterinarians to provide sterilization of all dogs and cats prior to adoption, in addition it will explore the cost and feasibility of constructing a surgical suite at the Animal Services Division and determine whether a veterinarian should be hired or contracted to provide the services at the Shelter.

5. Automation of the Shelter's manual recordkeeping process would increase efficiency and management information available for decision making.

The Shelter has a manual system for intake and tracking of animals and for compiling statistics. Upon intake, a form is filled out by hand with previous owner and animal information, such as species, breed, color/markings, location found if stray, reason for owner release, and inoculation history. These forms are collected as animals leave the shelter and are used to compile statistics. Using a manual system complicates gathering any compound statistical information, such as the

number of owner released dogs that are euthanized, or the percentage of large dogs adopted into new homes.

The Shelter must produce performance measures, essential to formulate and justify funding requirements and measure progress toward various goals. Shelter management needs performance and trend information such as multiple redemptions, multiple/repeating adoptions and returns, and the percent of spay/neuter contract compliance. An automated system would allow the Shelter management quickly and easily to compile statistics and monitor trends relating to such issues as complaint demographics, breed specific issues, and anomalies in service utilization. According to the Society for the Prevention of Cruelty to Animals, automation can help increase animal redemptions and adoptions, reduce costs associated with shelter operations, and improve statistical reporting which is vital to efforts to develop programs to combat animal overpopulation.

Recommendation**Priority: Medium**

The Shelter should install shelter management software to achieve operational efficiencies, produce performance information, and provide citizen access to services, programs, and information. The system should be identified, installed, and operational within 12 months.

Department Response

The Animal Services Division has installed and customized the nationally recognized “Petwhere” Software Management Program to streamline the paperwork associated with shelter adoptions and redemptions. Staff will be trained in February 2003, and the system will be fully functional and implemented in March 2003.

6. Heartworm and Feline Leukemia testing is performed for only one month per year.

Northern Virginia Community College Veterinary Technician students come to the Shelter each year, mid-March through mid-April, to test dogs and cats for heartworms and Feline Leukemia. During the testing period, any animal testing positive for heartworms or Feline Leukemia is no longer considered “adoptable” and is euthanized.

Heartworms infestation and Feline Leukemia are serious and fatal illnesses. Heartworms can infest

dogs and cats. Some pets may die during or after the treatment from complications including heart failure and blood clots going to the lungs. Feline Leukemia is one of the most devastating feline diseases worldwide and is responsible for more deaths among cats than any other infectious disease. More than 13 percent of stray cats have Feline Leukemia. Infected cats should not be housed with other cats as methods of transmission include bite wounds, mutual grooming, nose-to-nose contact, shared food dishes and water bowls, and sneezing.

Recommendation**Priority: Medium**

The Shelter should test adoptable animals for serious medical conditions, such as heartworms and Feline Leukemia virus, and should recover the cost through a revision of the Adoption Fee.

Department Response

Currently all housed dogs and cats are tested prior to their availability for adoption. A future increase in adoption fees is being considered.

Exhibit A

Comparisons with Other Jurisdictions

Municipality	Shelter	Trust /Gift Fund	Commission/ Committee	Animals Taken In	Rabies Before Adoption	Sterilization Before Adoption	Primary Line of Business
Baltimore City, MD	Yes	No	Advisory	14,000	Yes, with quarantine	Yes, delivered to vet, Puppy/ Kitten voucher	Health
Chicago, IL	Yes	No	Commission and friends group	25,000	Yes	Yes (8 weeks)	Animal care/ control
Dallas, TX	Yes	Yes	Advisory	35,000	Yes	Yes, delivered to vet, Puppy/ Kitten voucher	Code Compliance, Rabies
Fairfax County, VA	Yes	Yes	Advisory	7,400	No	After, Voucher	Police, rabies
Maricopa Co., AZ	Yes	Yes, non-op funds	Friends of ACC	65,000	Yes	Yes, foster care until 2 lbs	Health
Memphis, TN	Yes	Yes, no carry-over	No	15,000	Yes	Yes (7 weeks or 2 lbs)	Animal Control
Milwaukee, WI	Yes	Yes, ear-marked	Self	14,000	No adoptions, do rescue, Humane Society	No spay/ neuter law in Wisconsin	Animal Control
Montgomery Co, MD	Humane Society	National	Yes	10,000	No	After, Voucher	Police, rabies
San Antonio, TX	Yes	No	No	47,000	Yes	Yes, Puppy/ Kitten voucher	Health, rabies
San Francisco, CA	Yes	Yes	Friends of AC	13,000	Yes	Yes (2 lbs)	Animal care/control

1. Do you have a shelter or contract out the service (with whom?)
2. Do you have a trust fund or gift fund for donations (or deposit into your operating fund?)
3. Do you have a "friends" commission or committee?
4. How many animals are taken in per year?
5. Do you give a Rabies vaccination prior to adoption?
6. Do you sterilize prior to adoption? All ages? Voucher or certificate for immature animals?